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Redding Man Charged in \$7 Million Embezzlement Scheme

Redding, CA--United States Attorney John K. Vincent and FBI Special Agent in Charge Richard R. Baker announced that, earlier today, agents from the FBI and IRS arrested Thomas Edward Van Luven, 45, of Redding, California, in connection with an alleged scheme to embezzle more than \$7 million from his former employer, Trinity River Lumber Company (TRLIC) in Weaverville, California. Van Luven was arrested without incident after agents served a federal search warrant at his Redding home.

According to Assistant U.S. Attorney Laurel White, who is prosecuting the case, a federal indictment unsealed today charges Van Luven with forty-six counts of Wire Fraud and four counts of Money Laundering arising from an embezzlement scheme that spanned more than five years. According to the indictment, between 1996 and 2001, while employed as TRLIC's controller, Van Luven wired more than \$3 million from the company's bank account to personal accounts he maintained with Fidelity Investments in Boston. During the same period, Van Luven allegedly wired more than \$4 million from TRLIC's bank account to Blanchard and Company, Inc. in New Orleans to purchase rare coins. The indictment alleges that Van Luven concealed his scheme by creating false debit entries in TRLIC's accounting ledger to coincide with his wire transfers. At the end of each year, Van Luven would combine all of the false debit entries and

add them to legitimate TRLC expenses, such as log purchases, before closing the year's books.

In addition to the Wire Fraud and Money Laundering charges, the indictment identifies several of Van Luven's assets the government is seeking to forfeit as proceeds traceable to his illegal activities. Specifically, the indictment lists five vehicles (1996 Chevrolet Suburban, 1999 Honda Odyssey, 2001 Honda Civic, 1998 BMW ZE, and 1999 Audi Quattro), two properties (1651 Hominy Way, Redding, California and 578 7th Avenue, San Francisco, California) and a life insurance annuity policy as assets subject to forfeiture.

The FBI affidavit filed in support of today's search warrant explains how Van Luven's embezzlement first came to light. The affidavit indicates that Van Luven, whose maximum annual salary at TRLC was approximately \$53,000, was terminated by the company on June 27, 2001. According to the affidavit, irregularities in TRLC's bookkeeping were discovered during the training of Van Luven's replacement as controller. These irregularities prompted the company to retain certified public accountants from the firm of D.H. Scott, who first uncovered evidence of Van Luven's numerous wire transfers.

Van Luven faces a maximum sentence of up to 270 years in prison if convicted on all counts. The charges in the indictment are only allegations, however, and Van Luven is presumed innocent until proven guilty.

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